



**AUDIT COMMITTEE
of the
TECHNOLOGY SERVICES BOARD
DEPARTMENT OF TECHNOLOGY SERVICES**

**PUBLIC MEETING MINUTES
June 15, 2006**

The Audit Committee of the Technology Services Board met in open session, pursuant to the provisions of the Bagley-Keene Open Meeting Act, at approximately 2:30 p.m., in the Leonard Carter Conference Room at the State and Consumer Services Agency, located at 915 Capitol Mall, Sacramento, California 95814.

1. Chairman Clark Kelso called the meeting to order at 2:35 p.m.

Present:

Clark Kelso, Governor's Designee, Chairman
Michael C. Genest, Department of Finance (Designee Fred Klass)
Rosario Marin, State & Consumer Services Agency (Designee Will Bush)
Steve Westley, Controller (Designee Michael Carter), ex officio member

2. Consideration of the Audit Committee Charter

Chairman Kelso walked through the draft Audit Committee charter. There was discussion of the need to add an item under the General Duties of the Audit Committee regarding the committee's duty to review and accept all audits and require the DTS to satisfactorily follow-up on all audit findings. A motion to approve the charter with this amendment was made, seconded, and unanimously approved.

3. Consideration of the Statement of Work and Timeline for the Financial Audit of the Department of Technology Services (DTS)

Glen Matsuoka, Deputy Director for Administration at the Department of Technology Services, presented a draft Statement of Work and Timeline for the Financial Audit of DTS. The committee discussed the need to include a step for the Chair of the Technology Services Board to review and approve the award recommendation. It also discussed the need to change the language under the Key Dates section of the Statement of Work to reflect the fact that the Technology Services Board is required through statutes to engage an independent auditor, not DTS. A motion to approve the Statement of Work

and Timeline with these amendments was made, seconded, and unanimously approved.

There was also discussion regarding the potential that the audit would not be completed within the statutorily required 120 days after the close of the fiscal year, because financial statements are not finalized until September. Clark Kelso, the Chair, will send a letter to the Legislature informing them of any delays with the audit should they occur.

8. Meeting Adjournment – 3:30 p.m.